

Message Text

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ACTION NEA-07

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 SP-02 L-01

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SECDEF WASHDC NIACT IMMEDIATE
INFO AMEMBASSY JIDDA PRIORITY
AMEMBASSY KUWAIT

S E C R E T AMMAN 0445

LIMDIS

FOR STATE AND DEFENSE FROM AMBASSADOR

JIDDA FOR COL SMALL AND MR HOENIG

E.O. 11652: GDS
TAGS: MASS, JO, US
SUBJECT: HAWK FINANCING PROBLEM

REF: STATE 019614 (DTG 270125Z JAN 76)

1. URGENCY SITUATION IN REFTTEL IS RECOGNIZED AND WE WILL
CONTINUE TO DO ALL WE CAN, AS WE KNOW JORDANIANS WILL,
TO ASSURE EARLY SAUDI PAYMENT.

2. WE ARE A LITTLE SURPRISED, AS WILL BE JORDANIANS,
TO FIND OUT JUST TWO WORKING DAYS BEFORE THE DEADLINE
(DEPARTMENT KNOWS NO BUSINESS CAN BE TRANSACTED HERE OR
CERTAINLY IN SAUDI ARABIA ON A FRIDAY) THAT ALL ACTIONS
ON I-HAWK WILL BE TERMINATED ON JANUARY 31. WE ASSUME
THIS ALSO INCLUDES TRAINING BUT WOULD LIKE CLARIFICA-
TION OF THIS FACT (PLEASE ADVISE). IN THE PAST, WE

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HAVE TAKEN LIBERTY OF INFORMING JORDANIANS BY

LETTER OF GROWING CONCERN OVER THIS PROBLEM. HAD WE KNOWN THE GUILLOTINE BLADE WAS COMING DOWN ON US ALL SO SOON, OUR PAST EFFORTS COULD HAVE BEEN MADE MORE SPECIFIC AND PROBABLY MORE EFFECTIVE. UNFORTUNATELY TOO, OUR UNWILLINGNESS TO PROVIDE SAUDIS IN JIDDA WITH COPY OF OUR COMMUNICATIONS TO JORDANIANS IN RETROSPECT LEFT US WITH NO SENSE OF THE PRESENT NOTE OF URGENCY IN MY LATEST INSTRUCTIONS.

3. WE WILL RAISE QUESTION AGAIN WITH JORDANIANS AND ARE BEGINNING WITH CHIEF OF STAFF. JORDANIAN ATTITUDE IS THAT THEY ARE NOT PREPARED TO PROCEED WITH I-HAWK PIECEMEAL, WITH POSSIBLE EXCEPTION OF CURRENT TRAINING. THEY CANNOT AFFORD THIS SYSTEM ON THEIR OWN AND CANNOT ENTER INTO AN ARRANGEMENT WITHOUT FULL SAUDI BACKING. THEY ARE PREPARED TO LET SAUDIS KNOW THE CONSEQUENCES OF FURTHER DELAY IN POLITE TERMS AND TO PUSH AS HARD AS THE TRAFFIC WILL BEAR, BUT NOT SO HARD AS TO UPSET THE PRESENT DELICATE STATE OF SAUDI CONSIDERATION. IN MY JUDGMENT THEY WILL NOT WANT TO PUSH MUCH FURTHER ON BASIS OF POSSIBLE SAUDI NEGATIVE REACTIONS, BUT I WOULD ALSO VALUE EMBASSY JIDDA'S COMMENTS ON POSSIBLE SAUDI REACTIONS IN THE LIGHT OF THEIR KNOWLEDGE OF THE HISTORY OF THIS AFFAIR UP TO THE PRESENT. IN LIGHT OF CONTINUAL HIGH LEVEL SAUDI ASSURANCES TO GOJ THAT SAUDIS WILL FINANCE SYSTEM, WE ARE INCLINED TO BELIEVE THAT THE DELAY IS ATTRIBUTABLE TO THE SLOWNESS OF THE SAUDI BUREAUCRACY IN TRANSLATING THESE ASSURANCES INTO ACTUAL DISBURSEMENT OF FUNDS.

4. WE DO NOT BELIEVE THAT JORDAN SHOULD PUT THE FMS CREDIT MONEY INTO HAWK, EVEN TEMPORARILY, AND BELIEVE JORDANIANS WILL AGREE. THEY DO NOT, AS WE HAVE SAID ABOVE, WANT TO BEGIN THE PROGRAM WITHOUT FULL SAUDI BACKING. WE ARE CONCERNED ABOUT THE CONGRESSIONAL REACTION AS DESCRIBED IN REFTTEL. ALSO, SINCE THE SAUDIS, UNDER SEPARATE ARRANGEMENTS CONCLUDED PREVIOUS TO THE HAWK MATTER, ARE GOING TO PAY FOR THEIR FMS CREDIT ON THE BASIS OF AN APPROVED LIST OF MATERIAL TO

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BE PURCHASED, SAUDIS WILL NOT, WE BELIEVE, APPRECIATE BEING PUSHED THROUGH THE BACK DOOR TO FUND HAWKS AFTER A UNILATERAL SHIFT BY JORDAN OF THE EQUIPMENT TO BE PURCHASED. IN SUM, SAUDIS WOULD PROBABLY HAVE TO BE APPROACHED FIRST AND WE ARE THEN BACK AT THE SAME POINT -- GETTING THE SAUDIS TO FUND THE I-HAWK FOR JORDAN. WE ALSO THINK IN VIEW OF TIME CONSTRAINTS THAT SAUDIS AS THE ULTIMATE DONORS SHOULD BE INFORMED BY US IN

JIDDA THAT THEIR FAILURE TO MEET DEADLINE FOR HAWK
PAYMENT WILL INCUR CANCELLATION AND ATTENDANT COSTS
FOR JORDAN NOW.

5. THERE IS ONE SEPARATE AREA OF CONCERN. THE JORDANIANS
WILL BE BADLY HURT IF THEIR PRESENT TRAINING PROGRAMS
ARE TERMINATED AND MEN SENT HOME, AND IT WILL DO DAMAGE
TO OUR PRESENT RELATIONSHIP. (WE ASSUME JAF WILL PROB-
ABLY NOT OBJECT TOO STRONGLY NOW, BUT WILL CERTAINLY BE
RELUCTANT TO PAY FOR THE TERMINATION OF OTHER ACTIVITIES,
INCLUDING THE CANCELLATION COSTS. (SAUDIS MIGHT BE ASKED
BY GOJ TO PAY IF HAWK SYSTEM IS LATER ACCEPTED.) GOJ KNOWS
THERE WILL BE PRICE ESCALATION, WHICH THEY HAVE COME TO
EXPECT WHETHER CONTRACTS ARE SIGNED AT LOWER PRICES
OR NOT). THEY MAY IN FACT BE WILLING TO PROVIDE FUNDS
ON THEIR OWN IF TRAINING COULD BE KEPT ALIVE UNTIL
SAUDIS COME FORWARD WITH FUNDS FOR CASE. THIS WOULD
MEAN DOD PREPARING A SEPARATE FMS CASH CASE FOR CURRENT
TRAINING FOR IMMEDIATE SIGNATURE AND PAYMENT BY JAF.
PLEASE ADVISE SOONEST IF THIS CAN BE DONE.

6. JORDANIANS ARE STILL CONFIDENT THAT SAUDIS WILL
PAY FOR HAWK. THIS WILL NOT HELP WITH STATUTORY
PROBLEMS WHICH WERE NOT FULLY EXPLAINED IN REFTTEL.
IF IT IS AGAINST THE LAW TO ADVANCE FUNDS (SECTION
22 (A) FMSA) THEN WHY IS JANUARY 31 CRUCIAL? WE
WOULD ASSUME WE HAVE ALREADY VIOLATED THAT STATUTE.
IF FUNDS HAVE BEEN ADVANCED ON 120-DAY DEPENDABLE UNDER-
STANDING, WHEN DID IT BEGIN AND EXACTLY WHAT FUNDS
ARE DUE FOR WHAT REASON ON JANUARY 31? ANSWERS TO
THESE QUESTIONS WOULD HELP US IN PURSUING MATTER
FURTHER WITH JORDANIANS AND WE WOULD HOPE FOR A QUICK
REPLY.

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7. WE WILL REPORT SOONEST RESULTS OUR INITIAL TALKS
WITH CHIEF OF STAFF.
PICKERING

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